

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

WEDNESDAY, NOVEMBER 15, 2006

3:30 P.M.

IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL

EAST GREENWICH, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chairman, Joseph Cianciolo, at 3:34 p.m., in the Conference Room, 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Joseph Cianciolo, Michael Traficante.

COMMITTEE MEMBER ABSENT: Joseph Larisa.

BOARD MEMBER PRESENT: Kathleen Hittner, M.D.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Brian C. Schattle, Senior Vice President of Finance and Administration and CFO; Peter A. Frazier, General Counsel; Marci Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Doug Dansereau, Chief Auditor and Financial Analyst; Jason Doyle,

Corporate Controller; and those individuals listed on the attendance sheet attached hereto.

Mr. Cianciolo welcomed Dr. Hittner to the Committee Meeting.

1. Approval of the Minutes:

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the Minutes of the Finance and Audit Committee of June 15, 2006. The motion was passed unanimously.

2. Report from Chief Auditor:

Mr. Dansereau provided a summary of audits that have recently been completed or are currently in progress. There was discussion of the off-airport parking permit agreements and specifically the appropriate level of increase to the airport access fees. This item will be brought to the full Board for discussion.

3. Report from Senior Vice President of Finance and Administration and CFO:

Mr. Schattle gave a brief update on the department's ongoing projects including the upgrade to the financial systems. There was also discussion of the CIP program including the timeline for submission to the FAA, and Mr. Schattle gave an overview of the

recent presentation from UBS on a potential refunding of the 98 Series B Bonds.

Mr. Schattle gave an overview of the Financial Statements ending September 30, 2006 focusing on revenues, personnel cost, operating costs and other income/expenses.

4. Action Items:

(a) Consideration of and Action Upon Internal Audit Charter.

Mr. Dansereau reported that in 1997 a new audit function was created and an Audit Charter was issued which outlined the essence of the function, authority and responsibilities of the department. The Charter has not been updated since its inception and modifications have been made based on changing conditions. A copy of the Charter will be distributed to all RIAC personnel.

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, on July 1, 1997, a new audit function was created by the Rhode Island Airport Corporation (RIAC); and

WHEREAS, an Audit Charter was originally issued and has not been updated since inception; and

WHEREAS, the essence of the function, authority and responsibility is defined in an Audit Charter which was developed by RIAC; and

WHEREAS, there is a need to modify the charter based on changing conditions.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to approve the modified Audit Charter, as presented, subject to Board approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of the Consultant Task Order for the Development of the Request for Proposals (RFP) for Management and Operation of Parking Facilities at T. F. Green Airport.

Mr. Schattle gave an overview of the consultant services which will be provided and reported that the recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Task Order with Ricondo and Associates to provide consultant services associated with the development of a Request for Proposals (RFP) for the management and operation of parking facilities at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) Board of Directors approved the selection of Ricondo and Associates (Ricondo) as Airport Consultants at the December 2005 Board of Director's meeting; and

WHEREAS, RIAC entered into a Professional Services Agreement (PSA) with Ricondo to perform airport consulting services for RIAC including the completion of bond feasibility reports, PFC applications, parking analyses and various other reports and projects as required; and

WHEREAS, RIAC has received a scope and fee from Ricondo to provide consultant services associated with the development of a Request for Proposals (RFP) for the management and operations of parking facilities at T. F. Green and related documents in the amount of \$97,462 and is currently conducting negotiations; and

WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O & M) budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Task Order with Ricondo and Associates to provide consultant services associated with the development of a Request for Proposals for the management and operations of parking facilities at T. F. Green Airport in an amount not-to-exceed \$97,462, subject to Board approval.

The motion was passed unanimously.

5. Future Meetings:

The next meeting of the Finance and Audit Committee will be announced.

6. Adjournment:

Mr. Cianciolo moved to adjourn at approximately 3:56 p.m. Mr. Traficante seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**Joseph Cianciolo, Chairman
Finance and Audit Committee of**

the Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE MEETING

NOVEMBER 15, 2006

NAME	AFFILIATION
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Patti Goldstein	RIAC
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Robert Goff	New England Parking
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Meredith Holderbaum	RI Senate Fiscal Office
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